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TELEPHONE 252-3300
TELECOPIER 256-8062

July 19, 2005

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

VIA HAND-DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Application of Utilities Services of South Carolina, Inc. for
adjustment of rates and charges for the provision of water service

Dear Mr. Terreni:

Enclosed for filing are the original and ten (10) copies of the Application of Utilities Services of South Carolina, Inc., in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing and hearing. By copy of this letter, I am serving a copy of these documents upon the Executive Director of the Office of Regulatory Staff and enclose a Certificate of Service to that effect.

I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copies that are enclosed and returning it to me via our courier.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.



John M.S. Hoefer

JMSH/twb
Enclosures

cc: Honorable C. Dukes Scott

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. _____ -W/S

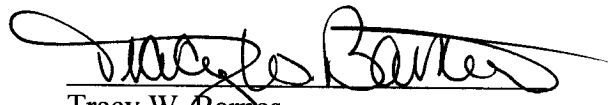
IN RE:

Application of Utilities Services of)
South Carolina, Inc. for adjustment of)
rates and charges for the provision of water)
service.)
_____)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the Application by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Honorable C. Dukes Scott
Executive Director
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211


Tracy W. Barnes

Columbia, South Carolina
This 19th day of July, 2005.

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005 -- ____ -WS

UTILITIES SERVICES OF SOUTH CAROLINA, INC. – APPLICATION FOR ADJUSTMENT OF RATES AND CHARGES AND MODIFICATION OF CERTAIN TERMS AND CONDITIONS FOR THE PROVISION OF WATER AND SEWER SERVICE.

Utilities Services of South Carolina, Inc. (USSC or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for an adjustment of the Company's rates and charges and modification of certain terms and conditions for the provision of water and sewer service. USSC is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2004), providing water and sewer service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket Nos. 93-636-W/S, 94-304-W, 96-213-W.

Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2004) and 26 S.C. Code Ann. Regs. 103-712.4.A and 103-512.4.A (Supp. 2004), the Company requests that the Commission approve an increase in its monthly water and sewer service charges and in certain non-recurring charges, as set forth in the Application. Also, pursuant to 26 S.C. Code Ann. Regs. 103-503 and 103-703, USSC proposes, among others, the following modifications to the terms and conditions of service: providing for billing a tenant for water and sewer services under S.C. Code Ann. § 27-33-50 (Supp. 2004), the addition of language requiring certain customers to conduct cross connection testing and to adding a charge for same if such inspections are undertaken by the Company to meet the requirements of 24A S.C. Code Ann. Regs. 61-58.7.F.8, and the addition of a provision providing for a pass-through of any bulk water supply or bulk sewer treatment service rates or charges, including tap fees, when imposed on the Company by a third party provider.

In support of its request for an adjustment in the Company's water and sewer rates, terms and conditions USSC asserts, among other things, that the proposed water and sewer rate increases are necessary in order that it may provide reasonable and adequate service to its customers, comply with standards and regulations set by the Department of Health and Environmental Control and other governmental agencies which regulate the environmental aspect of the Company's business, and earn a reasonable return on its investment and attract capital for future improvements. The Company also asserts that the proposed water and sewer rate increases are necessary to preserve its financial integrity and to permit continued investment in and maintenance of its facilities so as to provide reliable and high quality services.

THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW

(The complete rate schedule is available from the Company at the address below and on the Commission's website at www.psc.state.sc.us)

DOCKET NO. 2005-____-WS
NOTICE OF FILING AND HEARING
PAGE 2

WATER

1. Monthly Charges	Current York/Lancaster Counties	Current Anderson/Abbeville Counties	Current Oak Ridge Hunt Club	Current All Other Areas	Proposed
<u>Residential (less than 1" meter)</u>					
Basic Facilities Charge	\$9.00 per unit	\$10.50 per unit	\$8.00 < 1" meter	\$9.00 < 1" meter	\$15.68 per unit
			\$72.00 2' meter	\$81.00 2' meter	
Commodity Charge	\$2.60 per 1,000 gallons or 134 cft	\$3.15 per 1,000 gallons	\$3.32 per 1,000 gallons	\$3.62 per 1,000 gallons	\$ 4.30 per 1,000 gallons or 134 cft
<u>Commercial/Residential (for 1" meter or greater)</u>					
Basic Facilities Charge					
By Meter Size					
1" meter	n/a	n/a	\$22.50	\$25.30	\$39.20
1.5" meter	n/a	n/a	\$45.00	\$50.63	\$78.40
2" meter	n/a	n/a	\$45.00	\$81.00	\$125.44
3" meter	n/a	n/a	n/a	n/a	\$250.88
4" meter	n/a	n/a	n/a	n/a	\$392.00
Commodity Charge	n/a	n/a	\$3.32 per 1,000 gallons	\$3.6 2 per 1,000 gallons	\$4.30 per 1,000 gallons or 134 cft
<u>Charge for Water Distribution Only</u>					
<u>Residential (for less than 1" meter)</u>					
Basic Facilities Charge	same as residential	same as residential	same as residential	same as residential	\$15.68 per unit
Commodity Charge	same as residential	same as residential	same as residential	same as residential	\$2.46 per 1,000 gallons or 134 cft
<u>Commercial/Residential (for 1" meter or greater)</u>					
Basic Facilities Charge					
By Meter Size					
1"	n/a	n/a	\$22.50	\$25.30	\$39.20
1.5"	n/a	n/a	\$45.00	\$50.63	\$78.40
2"	n/a	n/a	\$45.00	\$81.00	\$125.44
3"	n/a	n/a	n/a	n/a	\$250.88
4"	n/a	n/a	n/a	n/a	\$392.00
Commodity Charge:	n/a	n/a	\$3.32 per 1,000 gallons	\$3.6 2 per 1,000 gallons	\$2.46 per 1,000 gallons or 134 cft
2. <u>Nonrecurring Charges</u>					
Account Set-Up And Reconnection Charges – All Areas					
a. Customer Account Charge (new customers only) – All Areas	\$25.00	\$22.00	\$22.00	\$25.00	\$25.00
b. Reconnection Charges	\$35.00	\$30.00	\$30.00	\$35.00	\$35.00

DOCKET NO. 2005-____-WS
NOTICE OF FILING AND HEARING
PAGE 3

		SEWER	
1.	Monthly Charges	Current	Proposed
	Residential – monthly charge per single-family house, condominium, villa, or apartment unit	\$25.00 per unit	\$41.39 per unit
	Mobile Homes – monthly charge	\$25.00 per unit	\$29.74 per unit
	Commercial –monthly charge	n/a	\$41.39 per SFE
	<u>Charge for Sewer Collection Only</u>		
	Residential – monthly charge per single-family house, condominium, or apartment unit	n/a	\$26.64 per unit
	Commercial – monthly charge Per single-family equivalent	n/a	\$26.64per SFE
	<u>Solid Interceptor Tanks</u>		
	For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:		
	A. Pumping Charge	n/a	\$150.00
2.	<u>Nonrecurring Charges</u>		
	Account Set-Up and Reconnection Charges		
	a. Customer Account Charge – new customers	n/a	\$25.00
	b. Reconnection Charges	n/a	\$35.00 (where Elder Valve installed) \$250.00 (where no Elder Valve installed)

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, S.C. on _____, 2005 at _____ a.m.

Any person who wishes to testify and present evidence at the hearing should notify, in writing, the Docketing Department and John M. S. Hoefer, Esquire, Willoughby & Hoefer, P.A., Post Office Box 8416, Columbia, South Carolina 29202-8416 on or before _____, 2005, and indicate the amount of time required for the presentation.

Any person who wishes to express their views but is unable or does not desire to appear and testify at the hearing should submit those views to the Docketing Department, in writing, on or before _____, 2005.

Any person who wishes to participate in the hearing, as a Party of Record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before _____, 2005.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211

_____-_____-_____-

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-217 -WS

IN RE:

Application of Utilities Services of
South Carolina, Inc. for adjustment of
rates and charges and modifications to
certain terms and conditions for the
provision of water and sewer service.

APPLICATION

Utilities Services of South Carolina, Inc. ("Applicant" or "Company") would respectfully
show unto, and request of, the Commission as follows:

BACKGROUND

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2004), providing water and/or sewer services to the public for compensation in the South Carolina counties of Abbeville, Anderson, Lancaster, Lexington, Richland, Saluda, Sumter and York pursuant to rates approved by the Commission in Docket Nos. 93-636-W/S, 94-304-W and 96-213-W and authorized to be imposed by Applicant in Docket No. 2002-124-W/S.¹

¹In its Order No. 2002-533 dated July 30, 2002 in Docket No. 2002-124-W/S, the Commission approved the transfer to Applicant of the water and/or sewer facilities, territories and certificates formerly held by Utilities of South Carolina, Inc. ("USCI") and South Carolina Water and Sewer, LLC ("SCWS"). USCI had previously acquired Blue Ribbon Water Corp. (rates approved in Docket No. 93-636-W/S) and Upstate Heater Utilities, Inc. (rates approved in

3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. Steven M. Lubertozi, CPA
Director, Regulatory Accounting
Utilities, Inc.
2335 Sanders Road
Northbrook, Illinois 60062-6196

b. **Legal Counsel:**

John M. S. Hoefer, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
(803) 252-3300

REQUEST FOR RATE RELIEF

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2004) and 26 S.C. Code Ann. Regs. RR. 103-512.4.A and 103-712.4.A (1976, as amended), Applicant requests that the Commission approve the monthly water and sewer service charges set forth in the eight (8) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A." Also, pursuant to R. 103-703 and 26 S.C. Code Ann. Regs. R. 103-503 (1976), Applicant proposes a modification to the terms and conditions under which a tenant will be billed for water and sewer services to comport with current S.C. Code Ann. § 27-33-50 (Supp. 2004), as same may be amended in the future. Further, pursuant to 26 S.C. Code Ann. Regs. R. 103-703 (1976), Applicant proposes to add language requiring its water customers to conduct cross connection

Docket No. 94-304-W). SCWS had previously acquired Heater Utilities (rates approved in Docket No. 96-213-W).

testing, and to add a charge for same if such inspections are undertaken by Applicant, to meet the requirements of 24A S.C. Code Ann. Regs. R. 61-58.7.F.8 (Supp. 2004). Finally, the Applicant proposes to add a provision providing for a pass-through of any bulk water supply or bulk sewer treatment service rates or charges, including tap fees, when imposed on the Company by a third party provider.

SUPPORTING DOCUMENTATION

5. Applicant proposes a test year of January 1, 2003 to December 31, 2004 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B," pages 1 through 10. These financial statements include the following:

- a. Balance Sheet (Schedule A);
- b. Current and pro forma income and expense statements (Schedule B), and
- c. Rate base and rate of return information (Schedule C).²

Applicant also submits, as Exhibit "B" pages 11 through 13, the following information in support of the Application:

- d. Water and sewer consumption analyses (Schedule D)
- e. Water and sewer proposed revenues (Schedule E)
- f. Schedule of current and projected customers (Schedule F)

²These calculations are for informational purposes only as Applicant will submit evidence with respect to proper returns on equity and rate base at hearing.

6. Attached hereto and incorporated herein by this reference as Exhibit "C" is the most recent approval letter from the South Carolina Department of Health and Environmental Control ("DHEC").

7. Attached hereto and incorporated herein by this reference as Exhibit "D" is the Company's current customer bill form.

8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2004).

9. A map depicting Applicant's current service area is on file with the Commission.

10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R. 103-512.4.A and R. 103-712.4.A and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.³

NEED AND JUSTIFICATION FOR RATE RELIEF

11. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Said rates are also necessary in order that the Applicant may comply with standards and regulations set by the South Carolina Department of Health and Environmental Control or other environmental regulatory authorities. Said rates will preserve the financial

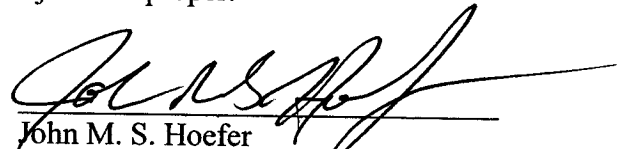
³Because Applicant utilizes a composite depreciation rate of 1 ½%, no depreciation schedule by categories of plant or average service lives exists. The Applicant will, of course, make available copies of the Company's depreciation workpapers in the course of the audit in

integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water and sewer services.

REQUEST FOR RATE BASE TREATMENT

12. Applicant further submits that given its substantial plant investment, and specifically the rate base reflected on Schedule C of Exhibit "B," Applicant is entitled to have the reasonableness of its proposed rates determined in accordance with the rate of return on rate base methodology. Accordingly, Applicant requests rate base treatment in this proceeding.

WHEREFORE, having fully set forth its Application, Utilities Services of South Carolina, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.



John M. S. Hoefer

WILLOUGHBY & HOEFER, P.A.

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

Attorneys for Utilities Services
of South Carolina, Inc.

This 19th day of July, 2005.
Columbia, South Carolina

the instant case. Also, in accordance with Order No. 2005-18, Docket No. 2005-83-A, a proposed notice of filing is being transmitted with the instant application.

EXHIBIT A

UTILITIES SERVICES OF SOUTH CAROLINA, INC.

PROPOSED SCHEDULE OF RATES AND CHARGES

WATER

1. Monthly Charges
Residential

Basic Facilities Charge per single family
house, condominium, mobile home
or apartment unit:

\$15.68 per unit*

Commodity Charge:

\$4.30 per 1,000
gallons or 134 cft

*Residential customers with meters of 1" or larger
will be charged commercial rate

Commercial

Basic Facilities Charge
by meter size:

1"	°	\$39.20
1.5"	°	\$78.40
2"	°	\$125.44
3"	°	\$250.88
4"	°	\$392.00

Commodity Charge:

\$4.30 per 1,000
gallons or 134 cft

Charges for Water Distribution Only

Where water is purchased from a government body or agency or other entity
for distribution and resale by the Company, the following rates apply:

Residential

Basic Facilities Charge per single family
house, condominium, mobile home
or apartment unit:

\$15.68 per unit*

Commodity charge:

\$2.46 per 1,000
gallons or 134 cft

*Residential customers with meters of 1" or larger
will be charged commercial rate

CommercialBasic Facilities Charge
by meter size:

1"	°	\$39.20
1.5"	°	\$78.40
2"	°	\$125.44
3"	°	\$250.88
4"	°	\$392.00

Commodity charge:

\$2.46 per 1,000
gallons or 134 cft

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

Tap Fees

\$500 per SFE*

3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge - for new customers only.

All Areas	\$25.00
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- b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2004), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61—58.7.F.8.(Supp. 2004), as may be amended from time to time. Said report and results must be

provided by the customer to the Utility no later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

- * A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2004), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SEWER

1. Monthly Charges

Residential - charge per
single-family house, condominium,
villa, or apartment unit:

\$41.39 per unit

Mobile Homes:

\$29.74 per unit

Commercial:

\$41.39 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Charge for Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - per single-family house,
condominium,
or apartment unit

\$26.64 per unit

Commercial - per single-family
equivalent

\$26.64 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Nonrecurring Charges

Tap Fee

\$500 per SFE*

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of six dollars (\$6.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

- b. Customer Account Charge - for new customers only.

All Areas

\$25.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

- c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or

unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2004), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

Utilities Services of South Carolina, Inc.

Balance Sheet

December 30, 2004

Schedule A

<u>Assets</u>		<u>Liabilities and Other Credits</u>	
Plant In Service		Capital Stock and Retained Earnings	
Water	\$ 7,811,997	Common Stock and Paid In Capital	5,716,429
Sewer	204,472	Retained Earnings	234,902
Total	8,016,469	Total	5,951,331
Accumulated Depreciation-Water		Current and Accrued Liabilities	
Accumulated Depreciation-Sewer	(1,614,644)	Accounts Payable-Trade	38,889
Total	(25,279)	Taxes Accrued	-
Net Utility Plant		Customer Deposits	104,906
	6,376,546	Customer Deposits - Interest	9,429
		A/P - Assoc. Companies	2,008,648
		Deferred Revenue	-
Plant Acquisition Adjustment-Water		Total	2,161,873
Plant Acquisition Adjustment-Sewer	1,180,579	Advances In Aid of Construction	
Total	65,678	Water	-
	1,246,257	Sewer	-
Construction Work In Process-Water		Total	-
Construction Work In Process-Sewer	625,872	Contributions In Aid of Construction	
Total	538	Water	28,686
	626,410	Sewer	-
Current Assets		Total	28,686
Cash	-	Accumulated Deferred Income Tax	
Accounts Receivable - Net	374,158	Unamortized ITC	
Other Current Assets	4,133	Deferred Tax - Federal	520,934
Total	378,290	Deferred Tax - State	628
Deferred Charges	35,949	Total	521,562
TOTAL ASSETS	\$ 8,663,452	TOTAL LIABILITIES AND OTHER CREDITS	8,663,452

Utilities Services of South Carolina, Inc.
Combined Operations
Test Year Ended December 31, 2004

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	\$ 2,142,888	\$ (1,344) [o]	\$ 2,141,544	\$ 750,809 [a]	\$ 2,892,353
Service Revenues - Sewer	109,659	(2,550) [o]	107,109	70,221	177,329
Miscellaneous Revenues	80,466	-	80,466	-	80,466
Uncollectible Accounts	(30,238)	-	(30,238)	(11,039) [b]	(41,278)
Total Operating Revenues	2,302,774	(3,894)	2,298,880	809,990	3,108,870
Maintenance Expenses					
Salaries and Wages	479,180	125,701 [c]	604,881	-	604,881
Purchased Power	140,181	7,407 [j]	147,588	-	147,588
Purchased Sewer & Water	316,770	(316,770) [m]	-	-	-
Maintenance and Repair	259,550	13,715 [j]	273,264	-	273,264
Maintenance Testing	39,576	2,091 [j]	41,668	-	41,668
Meter Reading	17,968	949 [j]	18,918	-	18,918
Chemicals	13,952	737 [j]	14,689	-	14,689
Transportation	65,009	9,287 [n]	74,296	-	74,296
Operating Exp. Charged to Plant	(304,457)	(82,719) [k]	(387,176)	-	(387,176)
Outside Services - Other	28,709	-	28,709	-	28,709
Total	1,056,437	(239,602)	816,835	-	816,835
General Expenses					
Salaries and Wages	112,917	11,879 [c]	124,796	-	124,796
Office Supplies & Other Office Exp.	115,776	6,118 [j]	121,894	-	121,894
Regulatory Commission Exp.	21	108,523 [d]	108,544	-	108,544
Pension & Other Benefits	106,211	23,036 [c]	129,247	-	129,247
Rent	14,350	758 [j]	15,108	-	15,108
Insurance	75,019	3,964 [j]	78,983	-	78,983
Office Utilities	34,334	1,814 [j]	36,148	-	36,148
Miscellaneous	21,012	1,110 [j]	22,123	-	22,123
Total	479,641	157,203	636,843	-	636,843
Depreciation	183,102	14,990 [e]	198,092	-	198,092
Amortization of PAA	25,964	(24,175) [f]	1,789	-	1,789
Taxes Other Than Income	345,885	(16,216) [f]	329,668	8,752 [f]	338,420
Income Taxes - Federal	(21,166)	2,011 [g]	(19,155)	258,800 [g]	239,645
Income Taxes - State	147	(3,112) [g]	(2,965)	40,062 [g]	37,097
Amortization of ITC	-	-	-	-	-
Amortization of CIAC	(354)	274 [e]	(81)	-	(81)
Total	533,578	(26,229)	507,348	307,614	814,962
Total Operating Expenses	2,069,655	(108,629)	1,961,027	307,614	2,268,641
Net Operating Income	\$ 233,119	\$ 104,735	\$ 337,853	\$ 502,376	\$ 840,229
Net Income for Return	\$ 233,119	\$ 104,735	\$ 337,853	\$ 502,376	\$ 840,229

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	\$ 2,142,888	\$ (1,344) [o]	\$ 2,141,544	\$ 750,809 [a]	\$ 2,892,353
Service Revenues - Sewer	-	-	-	-	-
Miscellaneous Revenues	77,618	-	77,618	-	77,618
Uncollectible Accounts	(28,802)	-	(28,802)	(10,098) [b]	(38,900)
Total Operating Revenues	2,191,704	(1,344)	2,190,360	740,711	2,931,071
Maintenance Expenses					
Salaries and Wages	453,927	119,103 [c]	573,030	-	573,030
Purchased Power	128,071	6,767 [j]	134,839	-	134,839
Purchased Water	316,770	(316,770) [m]	-	-	-
Maintenance and Repair	221,003	11,678 [j]	232,681	-	232,681
Maintenance Testing	32,898	1,738 [j]	34,637	-	34,637
Meter Reading	17,968	949 [j]	18,918	-	18,918
Chemicals	13,217	698 [j]	13,915	-	13,915
Transportation	61,583	8,798 [n]	70,380	-	70,380
Operating Exp. Charged to Plant	(288,412)	(78,360) [k]	(366,772)	-	(366,772)
Outside Services - Other	27,196	-	27,196	-	27,196
Total	984,221	(245,399)	738,823	-	738,823
General Expenses					
Salaries and Wages	106,966	11,259 [c]	118,225	-	118,225
Office Supplies & Other Office Exp.	109,675	5,795 [j]	115,470	-	115,470
Regulatory Commission Exp.	20	102,804 [d]	102,824	-	102,824
Pension & Other Benefits	100,614	21,828 [c]	122,441	-	122,441
Rent	13,594	718 [j]	14,312	-	14,312
Insurance	71,066	3,755 [j]	74,821	-	74,821
Office Utilities	32,525	1,719 [j]	34,243	-	34,243
Miscellaneous	19,905	1,052 [j]	20,957	-	20,957
Total	454,363	148,929	603,293	-	603,293
Depreciation	178,039	12,489 [e]	190,528	-	190,528
Amortization of PAA	24,595	(22,901) [l]	1,695	-	1,695
Taxes Other Than Income	327,754	(15,359) [f]	312,394	8,003 [f]	320,398
Income Taxes - Federal	(20,161)	14,426 [g]	(5,735)	236,665 [g]	230,930
Income Taxes - State	140	(1,028) [g]	(888)	36,635 [g]	35,748
Amortization of ITC	-	-	-	-	-
Amortization of CIAC	(354)	274 [e]	(81)	-	(81)
Total	510,013	(12,099)	497,914	281,303	779,218
Total Operating Expenses	1,948,598	(108,568)	1,840,030	281,303	2,121,333
Net Operating Income	\$ 243,106	\$ 107,224	\$ 350,330	\$ 459,408	\$ 809,738
Net Income for Return	\$ 243,106	\$ 107,224	\$ 350,330	\$ 459,408	\$ 809,738

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water					
Service Revenues - Sewer	\$ 109,659	(2,550) [o]	\$ 107,109	\$ 70,221 [a]	\$ 177,329
Miscellaneous Revenues	2,848		2,848		2,848
Uncollectible Accounts	(1,436)		(1,436)	(942) [b]	(2,378)
Total Operating Revenues	111,070	(2,550)	108,520	69,279	177,799
Maintenance Expenses					
Salaries and Wages	25,253	6,598 [c]	31,851		31,851
Purchased Power	12,110	640 [i]	12,749		12,749
Purchased Sewer	-	-	-		-
Maintenance and Repair	38,546	2,037 [j]	40,583		40,583
Maintenance Testing	6,678	353 [j]	7,031		7,031
Meter Reading	-	-	-		-
Chemicals	735	39 [j]	774		774
Transportation	3,426	489 [n]	3,915		3,915
Operating Exp. Charged to Plant	(16,045)	(4,359) [k]	(20,404)		(20,404)
Outside Services - Other	1,513		1,513		1,513
Total	72,216	5,796	78,012	-	78,012
General Expenses					
Salaries and Wages	5,951	621 [c]	6,571		6,571
Office Supplies & Other Office Exp.	6,101	322 [j]	6,424		6,424
Regulatory Commission Exp.	1	5,719 [d]	5,720		5,720
Pension & Other Benefits	5,597	1,208 [c]	6,806		6,806
Rent	756	40 [j]	796		796
Insurance	3,954	209 [j]	4,162		4,162
Office Utilities	1,809	96 [j]	1,905		1,905
Miscellaneous	1,107	59 [j]	1,166		1,166
Total	25,277	8,273	33,550	-	33,550
Depreciation	5,063	2,501 [e]	7,564		7,564
Amortization of PAA	1,368	(1,274) [i]	94		94
Taxes Other Than Income	18,131	(857) [f]	17,274	749 [f]	18,023
Income Taxes - Federal	(1,005)	(12,415) [g]	(13,421)	22,135 [g]	8,715
Income Taxes - State	7	(2,084) [g]	(2,078)	3,427 [g]	1,349
Amortization of ITC	-	-	-		-
Amortization of CIAC	-	- [e]	-		-
Total	23,565	(14,130)	9,434	26,310	35,745
Total Operating Expenses	121,058	(61)	120,997	26,310	147,307
Net Operating Income	\$ (9,987)	\$ (2,490)	\$ (12,477)	\$ 42,969	\$ 30,491
Net Income for Return	\$ (9,987)	\$ (2,490)	\$ (12,477)	\$ 42,969	\$ 30,491

- [a] Revenues are annualized at proposed rates using the actual test year customers.
- [b] Uncollectible accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] Salaries, wages and benefits are adjusted to annualize as of 12/31/04. An adjustment of 3.5% to annualized wages has also been included to reflect upcoming increases in salaries. In addition, bonuses have been excluded from pro forma salaries.
- [d] Regulatory commission expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [e] Depreciation and amortization expense are annualized. Depreciation expense represents gross depreciable plant at 12/31/04 plus actual and estimated general ledger additions, actual and estimated net capital projects additions, and actual and estimated capitalized time additions, multiplied by the depreciation rate of 1.5%.
- [f] Taxes other than income are adjusted for annualized payroll taxes, utility commission taxes, real estate taxes, and gross receipts taxes.
- [g] Income taxes are computed on taxable income at current rates (34% federal and 5.00% state).
- [h] AFUDC is eliminated for rate making purposes.
- [i] Interest on debt has been computed using a 55.91% / 44.09% debt / equity ratio and a 7.28% cost of debt. The 55.91% and 7.28% are multiplied by pro forma present rate base to determine interest on debt.
- [j] Adjustment for an estimated increase in certain expenses through the audit date.
- [k] Operating expense charged to plant has been adjusted for projected increases in salaries, taxes, and benefits for operators.
- [l] Amortization of PAA is adjusted for the change in value of PAA at acquisition.
- [m] Purchased water expense has been removed from the income statement, as the Company will be requesting this item for pass-through treatment. If the proposed purchased water pass through is denied the Utility's operation & maintenance expense will have to increase accordingly.
- [n] Additional transportation expense for newly hired employees.
- [o] Adjustment using billing information for the test year ended 12/31/04.

Utilities Services of South Carolina, Inc.
Combined Operations
Rate Base and Rate of Return
Test Year Ended December 31, 2004

Schedule C
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	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 233,119	104,735	\$ 337,853	502,376	\$ 840,229
Gross Plant In Service	\$ 8,367,148 [g]	373,747 [d]	8,740,896	-	\$ 8,740,896
Accumulated Depreciation	(719,490)	382,332 [c]	(337,157)	-	(337,157)
Net Plant In Service	7,647,659	756,080	8,403,738	-	8,403,738
Cash Working Capital	192,010	(10,301) [a]	181,709	-	181,709
Contributions In Aid of Construction	(28,686)	-	(28,686)	-	(28,686)
Advances in Aid of Construction	-	-	-	-	-
Accumulated Deferred Income Taxes	(521,562)	-	(521,562)	-	(521,562)
Elevated Storage Tank Removal	-	(110,563) [j]	(110,563)	-	(110,563)
Extraordinary Retirement	-	(30,293) [i]	(30,293)	-	(30,293)
Customer Deposits	(104,906)	(9,429) [f]	(114,336)	-	(114,336)
Capitalized Time	-	173,109 [e]	173,109	-	173,109
Plant Acquisition Adjustment	1,246,257	(1,131,464) [h]	114,793	-	114,793
Excess Book Value	-	963	963	-	963
Water Service Corporation	55,561	-	55,561	-	55,561
Pro Forma Plant	-	1,553,551 [b]	1,553,551	-	1,553,551
Pro Forma Plant Retirements	-	(413,839) [b]	(413,839)	-	(413,839)
Total Rate Base	\$ 8,486,332	\$ 777,815	\$ 9,264,147	\$ -	\$ 9,264,147
Return on Rate Base	2.75%		3.65%		9.07%

- [a] Working capital is calculated based on pro forma maintenance expenses and pro forma general expenses.
- [b] Pro forma plant is adjusted for net planned additional capital investments that will be completed by the completion of the audit and is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [c] Accumulated depreciation is adjusted for planned additional capital investments [b], invoiced and estimated additions to gross plant in service [d], and completed and estimated additions to capitalized time [e]. In addition, A/D has been restated using a 1.5% depreciation rate. The Company is requesting this rate going forward as well.
- [d] January 2005 through May 2005 actual invoiced general ledger additions, plus estimated invoiced general ledger additions through the audit. This is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [e] January 2005 through May 2005 actual capitalized time additions, plus estimated capitalized time additions through the audit. This is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [f] Customer deposits have been adjusted to include accrued interest on customer deposits as a reduction to rate base.
- [g] Restated per books plant and accumulated depreciation, including organization costs in plant and restating A/D to 1.5%.
- [h] PAA has been adjusted to account for the restatement of plant and accumulated depreciation. Should the Commission disallow this restatement, PAA at 12/31/04 would total \$1,246,257 for water and sewer.
- [i] Removed items that were in service at acquisition but being properly abandoned.
- [j] Removed net amount of elevated storage tank that was relocated to North Carolina.

Utilities Services of South Carolina, Inc.
Water Operations
Rate Base and Rate of Return
Test Year Ended December 31, 2004

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	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 243,106	107,224	\$ 350,330	459,408	\$ 809,738
Gross Plant In Service	\$ 8,144,078 [g]	362,698 [d]	8,506,777	-	\$ 8,506,777
Accumulated Depreciation	(713,900)	384,305 [c]	(329,595)	-	(329,595)
Net Plant In Service	7,430,179	747,003	8,177,181	-	8,177,181
Cash Working Capital	179,823	(12,059) [a]	167,764	-	167,764
Contributions In Aid of Construction	(28,686)	-	(28,686)	-	(28,686)
Advances in Aid of Construction	-	-	-	-	-
Accumulated Deferred Income Taxes	(493,677)	-	(493,677)	-	(493,677)
Elevated Storage Tank Removal	-	(110,563) [j]	(110,563)	-	(110,563)
Extraordinary Retirement	-	(30,293) [i]	(30,293)	-	(30,293)
Customer Deposits	(99,378)	(8,932) [f]	(108,310)	-	(108,310)
Capitalized Time	-	164,912 [e]	164,912	-	164,912
Plant Acquisition Adjustment	1,180,579	(1,071,835) [h]	108,744	-	108,744
Excess Book Value	-	912	912	-	912
Water Service Corporation	52,635	-	52,635	-	52,635
Pro Forma Plant	-	1,441,314 [b]	1,441,314	-	1,441,314
Pro Forma Plant Retirements	-	(413,839) [b]	(413,839)	-	(413,839)
Total Rate Base	\$ 8,221,475	\$ 706,620	\$ 8,928,095	\$ -	\$ 8,928,095
Return on Rate Base	2.96%		3.92%		9.07%

- [a] Working capital is calculated based on pro forma maintenance expenses and pro forma general expenses.
- [b] Pro forma plant is adjusted for net planned additional capital investments that will be completed by the completion of the audit and is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [c] Accumulated depreciation is adjusted for planned additional capital investments [b], invoiced and estimated additions to gross plant in service [d], and completed and estimated additions to capitalized time [e]. In addition, A/D has been restated using a 1.5% depreciation rate. The Company is requesting this rate going forward as well.
- [d] January 2005 through May 2005 actual invoiced general ledger additions, plus estimated invoiced general ledger additions through the audit. This is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [e] January 2005 through May 2005 actual capitalized time additions, plus estimated capitalized time additions through the audit. This is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [f] Customer deposits have been adjusted to include accrued interest on customer deposits as a reduction to rate base.
- [g] Restated per books plant and accumulated depreciation, including organization costs in plant and restating A/D to 1.5%.
- [h] PAA has been adjusted to account for the restatement of plant and accumulated depreciation. Should the Commission disallow this restatement, PAA at 12/31/04 would total \$1,246,257 for water and sewer.
- [i] Removed items that were in service at acquisition but being properly abandoned.
- [j] Removed net amount of elevated storage tank that was relocated to North Carolina.

Plant by Categories - water:

	12/30/04
3011000 WATER PLANT	-
3011001 ORGANIZATION	574,124
3021002 FRANCHISES	4,289
3033020 LAND & LAND RIGHTS (Pump Plt)	-
3036010 LAND & LAND RIGHTS	226,459
3035040 STRUCTURES & IMPROVE (Trans & Dist)	-
3042011 STRUCTURES & IMPROVE.(Sourc Sup)	4,042
3043021 STRUCTURES & IMPROVE.(PUMP.PLT.)	769,037
3044031 STRUCTURES & IMPROVE.(WTR. T.P.)	104,069
3072014 WELLS & SPRINGS	644,942
3113025 ELECTRIC PUMPING EQUIPMENT	382,062
3113026 ELECTRIC PUMPING EQUIPMENT - NC ONLY	-
3204032 WATER TREATMENT EQUIPMENT	248,832
3305042 DISTRIB. RESERVOIRS & STANDPIPES	869,091
3315043 TRANSMISSION & DISTRIB. MAINS	3,048,595
3315044 GALVANIZED MAINS - NC ONLY	-
3335045 SERVICE LINES	527,077
3345046 METERS	147,635
3345047 METER INSTALLATIONS	31,440
3355048 HYDRANTS	17,678
3391088 UNIFORMS	-
3406090 OFFICE STRUCTURES & IMPROVEMENTS	6,276
3406091 OFFICE FURNITURE & EQUIPMENT	26,702
3446095 LABORATORY EQUIPMENT	3,841
3466094 TOOLS, SHOP & MISC. EQUIPMENT	146,466
3466097 COMMUNICATION EQUIPMENT	5,387
3486096 UNDISTRIBUTED WATER PLANT	-
SUB-TOTAL	7,788,044
3511001 ORGANIZATION	-
3537002 LAND & LAND RIGHTS	-
3542011 LIFT STATION	-
3547003 BUILDINGS & STRUCTURES	-
3547012 SPRAY IRRIGATION FACILITIES	-
3602006 SEWAGE SERVICE LINES	-
3602007 FORCE OR VACUUM MAINS	-
3612008 SEWER MAINS	-
3612010 MANHOLES	-
3804004 SEWER LAGOONS	-
3804005 SEWAGE TREATMENT PLANT	-
3824009 OUTFALL LINES	-
3907091 OFFICE FURNITURE & EQUIPMENT	-
3937094 TOOLS, SHOP & MISC. EQUIPMENT	-
3967097 COMMUNICATION EQUIPMENT	-
SUB-TOTAL	-
3917000 TRANSPORTATION	207,868
SUB-TOTAL	207,868
3406000 COMPUTERS	148,166
3406010 MAINFRAME COMPUTER	-
3406020 MINI COMPUTERS	-
3406110 COMP SYS COST	-
3406120 MICRO SYS COST	-
3406160 MICRO SYS AMORTIZATION	-

Utilities Services of South Carolina, Inc.
Sewer Operations
Rate Base and Rate of Return
Test Year Ended December 31, 2004

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	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ (9,987)	(2,490) \$	(12,477)	42,969	\$ 30,491
Gross Plant In Service	\$ 223,070 [g]	11,049 [d]	234,119	-	\$ 234,119
Accumulated Depreciation	(5,590)	(1,972) [c]	(7,562)	-	(7,562)
Net Plant In Service	217,480	9,077	226,557	-	226,557
Cash Working Capital	12,187	1,758 [a]	13,945	-	13,945
Contributions In Aid of Construction	-	-	-	-	-
Advances in Aid of Construction	-	-	-	-	-
Accumulated Deferred Income Taxes	(27,885)	-	(27,885)	-	(27,885)
Elevated Storage Tank Removal	-	- [i]	-	-	-
Extraordinary Retirement	-	- [i]	-	-	-
Customer Deposits	(5,529)	(497) [f]	(6,026)	-	(6,026)
Capitalized Time	-	8,197 [e]	8,197	-	8,197
Plant Acquisition Adjustment	65,678	(59,628) [h]	6,050	-	6,050
Excess Book Value	-	51	51	-	51
Water Service Corporation	2,926	-	2,926	-	2,926
Pro Forma Plant	-	112,237 [b]	112,237	-	112,237
Pro Forma Plant Retirements	-	- [b]	-	-	-
Total Rate Base	\$ 264,857	\$ 71,195	336,052 \$	-	\$ 336,052
Return on Rate Base	-3.77%		-3.71%		9.07%

- [a] Working capital is calculated based on pro forma maintenance expenses and pro forma general expenses.
- [b] Pro forma plant is adjusted for net planned additional capital investments that will be completed by the completion of the audit and is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [c] Accumulated depreciation is adjusted for planned additional capital investments [b], invoiced and estimated additions to gross plant in service [d], and completed and estimated additions to capitalized time [e]. In addition, A/D has been restated using a 1.5% depreciation rate. The Company is requesting this rate going forward as well.
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- [e] January 2005 through May 2005 actual capitalized time additions, plus estimated capitalized time additions through the audit. This is only an estimate. The Company will only be requesting rate base treatment on actual capital expenditures through the audit.
- [f] Customer deposits have been adjusted to include accrued interest on customer deposits as a reduction to rate base.
- [g] Restated per books plant and accumulated depreciation, including organization costs in plant and restating A/D to 1.5%.
- [h] PAA has been adjusted to account for the restatement of plant and accumulated depreciation. Should the Commission disallow this restatement, PAA at 12/31/04 would total \$1,246,257 for water and sewer.
- [i] Removed items that were in service at acquisition but being properly abandoned.
- [j] Removed net amount of elevated storage tank that was relocated to North Carolina.

Plant by Categories - sewer:

12/30/04

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3011001	ORGANIZATION	-
3033020	LAND & LAND RIGHTS (Pump Plt)	-
3036010	LAND & LAND RIGHTS	-
3042011	STRUCTURES & IMPROVE.(Source Sup)	-
3043021	STRUCTURES & IMPROVE.(PUMP.PLT.)	-
3044031	STRUCTURES & IMPROVE.(WTR. T.P.)	-
3072014	WELLS & SPRINGS	-
3113025	ELECTRIC PUMPING EQUIPMENT	-
3204032	WATER TREATMENT EQUIPMENT	-
3305042	DISTRIB. RESERVOIRS & STANDPIPES	-
3315043	TRANSMISSION & DISTRIB. MAINS	-
3335045	SERVICE LINES	-
3345046	METERS	-
3345047	METER INSTALLATIONS	-
3355048	HYDRANTS	-
3391088	UNIFORMS	-
3406090	OFFICE STRUCTURES & IMPROVEMENTS	349
3406091	OFFICE FURNITURE & EQUIPMENT	1,486
3446095	LABORATORY EQUIPMENT	214
3466094	TOOLS, SHOP & MISC. EQUIPMENT	8,148
3466097	COMMUNICATION EQUIPMENT	300
	SUB TOTAL	10,496
3511000	SEWER PLANT	-
3511001	ORGANIZATION	47,623
3521020	FRANCHISES	117
3537002	LAND & LAND RIGHTS	12,598
3542011	LIFT STATION	9,207
3547003	BUILDINGS & STRUCTURES	3,917
3547012	SPRAY IRRIGATION FACILITIES	-
3602006	SEWAGE SERVICE LINES	1,459
3547096	UNDISTRIBUTED SEWER PLANT	-
3602007	FORCE OR VACUUM MAINS	408
3612008	SEWER MAINS	13,335
3612010	MANHOLES	9,165
3804004	SEWER LAGOONS	4,200
3804005	SEWAGE TREATMENT PLANT	90,738
3824009	OUTFALL LINES	-
3907091	OFFICE FURNITURE & EQUIPMENT	-
3937094	TOOLS, SHOP & MISC. EQUIPMENT	-
3967097	COMMUNICATION EQUIPMENT	-
	SUB TOTAL	192,767
3917000	TRANSPORTATION	11,564
	SUB TOTAL	11,564
3406000	COMPUTERS	8,243
3406010	MAINFRAME COMPUTER	-
3406020	MINI COMPUTERS	-
3406110	COMP SYS COST	-
3406120	MICRO SYS COST	-
3406160	MICRO SYS AMORTIZATION	-
	SUB TOTAL	8,243

WATER

Bill code		Gallage	Usage Charge	Units	BFC	Revenues
<u>Subdivision - Anderson</u>						
130001	5/8" residential	85,641,774	\$ 3.15	16,948	\$ 10.50	\$ 447,726
130006	3/4" residential	-	3.15	-	10.50	-
<u>Subdivision - Columbia</u>						
130003	5/8" residential	210,478,074	\$ 3.62	38,651	\$ 9.00	\$ 1,109,789
130005	1" residential	259,210	3.62	48	25.30	2,153
130007	2" residential	5,211,600	3.62	216	81.00	36,362
<u>Subdivision - Columbia (Oak Ridge)</u>						
130009	5/8" residential	5,979,766	\$ 3.32	935	\$ 8.00	\$ 27,333
<u>Subdivision - Rock Hill</u>						
130002	5/8" residential	123,734,831	\$ 2.60	21,830	\$ 9.00	\$ 518,181
Total		<u>431,305,255</u>		<u>78,628</u>		<u>\$ 2,141,544</u>

per t/b	\$	2,142,888
difference \$	\$	(1,344)
difference %		-0.06%

SEWER

Bill code		Units	Rate	Revenues
<u>Subdivision - Rock Hill</u>				
130022	Residential	4,284	\$ 25.00	\$ 107,109
Total		<u>4,284</u>		<u>\$ 107,109</u>

per t/b	\$	109,659
difference \$	\$	(2,550)
difference %		-2.33%

WATER

Bill code	Gallons	Usage Charge	Units	BFC	Revenues
<u>Subdivision - Anderson (Treatment)</u>					
130001 5/8" residential	15,347,545	\$ 4.30	3,458	\$ 15.68	\$ 120,216
130006 3/4" residential	-	4.30	-	15.68	-
<u>Subdivision - Anderson (Distribution)</u>					
130001 5/8" residential	70,294,229	\$ 2.46	13,490	\$ 15.68	\$ 384,447
<u>Subdivision - Columbia (Treatment)</u>					
130003 5/8" residential	173,219,102	\$ 4.30	31,488	\$ 15.68	\$ 1,238,574
130005 1" residential	-	4.30	-	39.20	-
130007 2" residential	-	4.30	-	125.44	-
<u>Subdivision - Columbia (Distribution)</u>					
130003 5/8" residential	37,258,972	\$ 2.46	7,163	\$ 15.68	\$ 203,973
130005 1" residential	259,210	2.46	48	39.20	2,519
130007 2" residential	5,211,600	2.46	216	125.44	39,916
<u>Subdivision - Columbia (Oak Ridge Treatment)</u>					
130009 5/8" residential	5,979,766	\$ 4.30	935	\$ 15.68	\$ 40,374
<u>Subdivision - Rock Hill (Treatment)</u>					
130002 5/8" residential	117,202,321	\$ 4.30	20,644	\$ 15.68	\$ 827,668
<u>Subdivision - Rock Hill (Distribution)</u>					
130002 5/8" residential	6,532,510	\$ 2.46	1,186	\$ 15.68	\$ 34,666
<u>Commercial Treatment [Meter Size]</u>					
5/8" & 3/4"	-	\$ 4.30	-	\$ 15.68	\$ -
1"	-	4.30	-	39.20	-
1.5"	-	4.30	-	78.40	-
2"	-	4.30	-	125.44	-
3"	-	4.30	-	250.88	-
4"	-	4.30	-	392.00	-
<u>Commercial Distribution [Meter Size]</u>					
5/8" & 3/4"	-	\$ 2.46	-	\$ 15.68	\$ -
1"	-	2.46	-	39.20	-
1.5"	-	2.46	-	78.40	-
2"	-	2.46	-	125.44	-
3"	-	2.46	-	250.88	-
4"	-	2.46	-	392.00	-
Total	431,305,255		78,628		\$ 2,892,353

SEWER

Bill code	Units	Rate	Revenues
130022 Residential - Treatment	4,284	\$ 41.39	\$ 177,329
Commercial - Treatment per SFE	-	41.39	-
Mobile Home	-	29.74	-
Residential - Collection Only	-	26.64	-
Total	4,284		\$ 177,329

**Utilities Services of South Carolina, Inc.
Growth Adjustment**

Schedule F

<u>Water</u>		<u>Description</u>
Number of customers @ 12/31/03	6,730	Historical
Number of customers @ 12/31/04	6,765	Present
Number of customers @ 12/31/05	6,782	Projected
<u>Sewer</u>		
Number of customers @ 12/31/03	375	Historical
Number of customers @ 12/31/04	376	Present
Number of customers @ 12/31/05	377	Projected

BOARD:
Elizabeth M. Hagood
Chairman
Edwin H. Cooper, III
Vice Chairman
L. Michael Blackmon
Secretary



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment.

June 17, 2005

Exhibit C
Page 1 of 7

BOARD:
Carl L. Brazell
Steven G. Kisner
Paul C. Aughtry, III
Coleman F. Buckhouse, MD

Mr. John M.S. Hoefer
Willoughby & Hoefer, P.A.
PO Box 8416
Columbia, SC 29202-8416

RE: Your letter of November 24, 2004 (copy enclosed)
List of Utilities Services of SC Water and Wastewater Facilities

Dear Mr. Hoefer:

This letter updates and affirms my letter of November 29, 2004.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director
Water Facilities Permitting Division

cc: Shawn Clarke

BOARD:

Carl L. Brazell

Louisiana W. Wright

L. Michael Blackmon

Coleman F. Buckhouse, MD



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment.

November 29, 2004

BOARD:
Elizabeth M. Hagood
Chairman
Mark B. Kent
Vice Chairman
Edward L. Brilliant, MD
Secretary

Mr. John M.S. Hoefler
Willoughby & Hoefler, P.A.
PO Box 8416
Columbia, SC 29202-8416

RE: Your letter of November 24, 2004 (copy enclosed)
List of Utilities Services of SC Water and Wastewater Facilities

Dear Mr. Hoefler:

These facilities all have valid DHEC permits under R.61-9 and R.61-58.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director
Water Facilities Permitting Division

WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW
1022 CALHOUN STREET (SUITE 302)
P.O. BOX 8416
COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
ELIZABETH ZECK*
PAIGE J. GOSSETT
RANDOLPH R. LOWELL
K. CHAD BURGESS
NOAH M. HICKS II**

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

November 24, 2004

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

VIA TELECOPIER NO. 898-4215 & U.S. MAIL

Mr. Jeff DeBessonnet, PE
Director
Water Facilities Permitting Division
SC Department of Health and Environmental Control
2600 Bull Street
Columbia, South Carolina 29201-1708

RE: Application of Utilities Services of South Carolina, Inc. for an increase
in water and sewer service rates before the Public Service Commission
of South Carolina

Dear Mr. DeBessonnet:

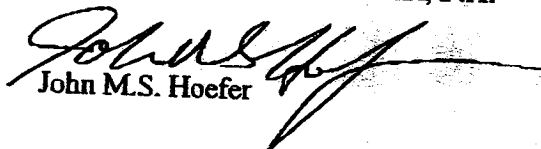
This firm represents Utilities Services of South Carolina, Inc. ("USSC") in connection with a request for rate relief from the Public Service Commission of South Carolina. The Public Service Commission's rules, specifically 26 S.C. Code Regs. RR.103-512.4.A (Supp. 2004) and 103-712.4.A (1976, as amended) require an applicant for rate relief to provide, among other things, a recent letter of approval from the Department of Health and Environmental Control ("DHEC").

In the past, you have provided such a letter for submission to the Public Service Commission, confirming that the utility holds all necessary DHEC permits and describing its authorized plant capacity and current flows (where appropriate). For your reference, attached you will find a list of the water and sewer systems permitted by DHEC for operation by USSC.

We would appreciate your once again providing us with a letter regarding the status of USSC. If you have any questions, or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.


John M.S. Hoefer

JMSH/twb
Enclosure

cc: Mr. Steven M. Lubertozzi
Mr. Daniel A. Baratz
Mr. Bruce T. Haas

System Name	NPDES #
Carrowoods	SC0038113
Country Oaks	SC0039217
Foxwood	SC0027146
Shandon	SC0027189

System Name	Drinking Water System #
Arrowhead Estates	3250036
Barney Rhett	4650018
Bellmead	0450016
Belmead	3250031
Bridgewater	0450033
Brown Neal	4650047
Brownsboro	4650061
Calhoun Acres	0450014
Cameron Estates	4650059
Carrolton Place	4650062
Carrowoods	4650035
Charleswood	4050008
Charwood	3250035
Clearview	0450026
Country Oaks	4650020
Dobbins Estates	0450058
Dutchman Acres	3250028
Dutchman Shores	3250021
Edgebrook	0450004
Emma Terrace	3250022
Estates of Hilton	3250103
Farm Pond	4650056
Farrowood	4050012
Fieldcrest	0450032
Foxtrail	3250038
Foxwood	4650008
Glenn Village I	3250026
Greenforest	0450006
Harmon Estates	4050011
Haynie Builders	0450063
Hickory Hills	4650025
Hidden Lake(RockHill)	4650040
Hidden Lakes	0450072
Hill and Dale	0450036
Hilton Place	3250072
Indian Cove	3250020
Kim Acres	4650041
Lake Village	3250054
Lakewood	0450065
Lakewood Estates	3250005
Leslewoods	4650051

System Name	Drinking Water System #
Leslie Dale	4660095
Lexington Estates	3250050
Lexington Farms	3250069
Mallard Lakes	4650057
Middlestream	4650052
Milmont Shores	3250025
Murray Lodge	3250013
Murray Park	3250019
Nevitt Forest	0450007
Oakland Plantation	4350006
Oakridge Hunt Club	4050019
Oakwood Estates	0450076
Old Farms	4650042
Olympic Acres	4650053
Parkwood	3250029
Pepperidge	4660101
Plantation / Wintercrest	4650017
Pleasant Hill	2950006
Polly Circle	4660073
Purdy Shores	0150014
Raintree Acres	4050015
Ridgewood	4650031
Riverbend	4660103
Sangaree	3260012
Shandon	4650009
Sherwood Forest	0450029
Shilo Quarters	4660092
Silver Lakes / Woodwind	4650034
Southbend	4660100
Spring Lakes	4650012
Springfield Acres	4050006
Surfside	0450066
Tanglewood	4150011
Tanya Terrace	3250023
Towncreek Acres	0450003
Valleymere	4650046
Vanarsdale	3250027
Washington Heights	4050013
Wesleywoods	4650016
Windy Hill	3250057
Windy Run	4650048

System Name	Drinking Water System #
Woodbridge	4650028

Utilities, Inc and Affiliated Companies

UTILITIES SERVICES OF S.C.
PO BOX 4509
WEST COLUMBIA SC 29171-4539



Acct # 01310 [REDACTED]
Due Date 08/09/05
Please Pay \$73.44

UTILITIES SERVICES OF S.C.
PO BOX 4509
WEST COLUMBIA SC 29171-4539

To insure proper credit, return this portion. Please do not staple, clip, or tape.

Customer Service Information Please Retain for Your Records
Remittance Address: UTILITIES SERVICES OF S.C.
PO BOX 4509
WEST COLUMBIA SC 29171-4539
For Service or Billing Inquiries Call: 803-796-9545 OR 800-367-4314
To Pay By Credit or Debit Card, Call 1-877-527-7852.
A Convenience Fee Will Be Charged.

Account Information		Description of Charges	
Account #	[REDACTED]	PRIOR BALANCE	\$52.37
Service Addr.	[REDACTED]	WATER	\$19.14
Bill Date	07/15/05 Due Date 08/09/05	SC DHEC FEE	\$1.93
Prior Read	06/15/05 101610		
Current Read	07/06/05 104410		
Usage	2800		
# of days this period	21		
Average daily usage	133		
Average daily water cost	\$1.00		
Average daily sewer cost	\$0.00		
Last Payment			

1 1/2% PER MONTH WILL BE ADDED TO
ALL AMOUNTS NOT PAID BY THE DUE DATE.

PLEASE PAY \$73.44

THE PRIOR BALANCE ON THIS BILL REMAINS UNPAID. TERMINATION OF SERVICE WILL
BE INITIATED 10 DAYS FROM THE BILL DATE STATED ABOVE. THE DUE DATE ON THIS
NOTICE DOES NOT INVALIDATE THE DUE DATE STATED ON ANY PREVIOUS NOTICE.

TO VERIFY RECEIPT OF PAYMENT, PLEASE CALL OUR OFFICE. *****

** IF YOUR SERVICE IS TERMINATED, IT WILL BE RESTORED ONLY AFTER WE RECEIVE
PAYMENT FOR THE PRIOR BALANCE PLUS ALL APPLICABLE SERVICE CHARGES.

** SOMEONE MUST BE PRESENT AT THE PROPERTY WHEN SERVICE IS RESTORED. **

PAY BY CREDIT OR DEBIT CARD (VISA & MASTERCARD) BY CALLING 1-877-527-7852.
PAYMENTS MADE ON ANY VISA CARD THAT CAN BE USED AS A DEBIT OR CREDIT CARD
WILL BE PROCESSED AS A DEBIT CARD. PAY OVER THE INTERNET BY ACCESSING
PAYBYINTERNET.COM. INTERNET PAYMENTS SHOULD BE MADE TO OUR PARENT COMPANY,
UTILITIES INC. A FEE WILL BE CHARGED FOR THESE PAYMENT OPTIONS.

***** YOU MUST ALLOW FOR PROCESSING TIME. *****

*** TO AVOID TERMINATION OF SERVICE, YOU MUST CALL OUR OFFICE ***

*** WITH THE CONFIRMATION NUMBER YOU RECEIVE ***

*** FROM THE CREDIT CARD PAYMENT CENTER TO SHOW THAT PAYMENT WAS MADE. ***

Rate Schedule Available Upon Request